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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/752,650	12/29/2000	Peter M. Dickstein	05284-P001	1500

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EXAMINER

KYLE, CHARLES R

ART UNIT PAPER NUMBER

3624

DATE MAILED: 06/21/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/752,650	Applicant(s) DICKSTEIN ET AL.	
	Examiner Charles R Kyle	Art Unit 3624	<i>ML</i>

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 29 December 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-78 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-78 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input checked="" type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-78 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Each of the Claims 1-78 recites either an “allowing” step or an element to “allow” a function. The concept of allowing is vague because it does not decisively state whether the function allowed is actually performed; the metes and bounds of the claim are not clearly set out. Applicants are requested to correct occurrences of this deficiency in all Claims. See also for example, Claims 20 and 21.

Claim 3 recites the phrase “as applied to various capitalization scenarios”. One of ordinary skill in the art would not know how to identify those various scenarios.

Claim 12 and 50 recite the phrase “to the ...projections” and “the web”. There is insufficient antecedent basis for these phrases.

Claim 74 recites the phrase “the capitalization structure reflects to the board of directors approval status.” This phrasing is unclear.

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Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-43 and 65-78 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Specifically the claims as presented does not claim a technological basis in the pre-ambble and the body of the claim. Without a claimed basis, the claim may be interpreted in an alternative as involving no more than a manipulation of an abstract idea and therefore non-statutory under 35 U.S.C. 101. In contrast, a claim that includes in the body of the claim at least one structural / functional interrelationship which can only be computer implemented is considered to have a technological basis [See Ex parte Bowman, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) - used only for content and reasoning since not precedential].

In order to over come the 101 rejection above, the following preamble is suggested: “A computer implemented method for ---”, or something similar. Also, in the body of the claim include at least one structural / functional interrelationship which can only be computer implemented.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

Claims 1-7, 12-13, 21, 26, 28, 30-31, 39-40, 42, 44-47, 50-51, 54, 62 and 65-77 are rejected under 35 U.S.C. 102(a) as being anticipated by *SEC*.

Concerning Claim 1, *SEC EDGAR Submission 0001032210-99-001375*, hereinafter *SEC* discloses the invention as claimed, including in a method, the steps of:

maintaining a database (SEC EDGAR database) containing data regarding a complete capitalization structure for at least one company (pgs. 27-35, "Capital Shares"; pgs. 51-52, "Certificates of Shares and Their Transfer") ;

allowing a representative of the company, a stakeholder, or an agent of the company to have access to the data regarding the company via a computer network (HTML presentation on World Wide Web of *SEC*, see pg 1, top) ;

allowing the representative of the company or the agent of the company to update the data regarding the company (pg. 1, "**Annual** Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934"); and

managing the capitalization structure of the company based on the data company to regarding the company (pg. 22, bracketed text; pages 27-35).

See also pages 68-69.

As to Claim 2, *SEC* discloses performing an analysis of data at pg. 55+, Exhibit 13.3, particularly pg. 61, bracketed text; reports and projections at pg.77, "Year Ended June 30, Reported and Pro Forma". See the discussion of Claim 1 re access to database information.

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With respect to Claim 3, see the discussion of Claims 1 and 2. Projections are read as speculative reports based on various scenarios.

With respect to Claim 4, *SEC* discloses management reports at pg. 55+, Exhibit 13.3.

With respect to Claim 5, *SEC* discloses customized report notes at pgs. 69-83, “Notes to Financial Statements.

With respect to Claim 6, *SEC* discloses logically grouping an individual and an entity at pg. 20, “William H. Gates” and “Chairman of the Board”.

With respect to Claim 7, *SEC* discloses job position data and its connection to equity compensation at pg. 51, item 4.5.

Concerning Claim 12, *SEC* discloses providing report and projection access on the web to *SEC* through the use of a web browser and the HTML formatting of the reference.

With respect to Claim 13, *SEC* discloses facilitating exercise of warrants at pg. 22, bracketed text.

With respect to Claim 21, *SEC* discloses that securities can be split at pgs. 30-31, bracketed text.

Concerning Claim 26, *SEC* discloses issuing a security at pg. 22, bracketed text.

Concerning Claim 28, *SEC* discloses a holder having registration rights at pg. 2, bracketed text.

With respect to Claim 30, *SEC* discloses consideration of legal prohibitions regarding securities at pg. 33, (f).

Concerning Claim 31, *SEC* discloses tracking changes in company control at pgs. 17-22, “Executive Officers of the Registrant”.

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With respect to Claim 39, *SEC* discloses a database for options and employee stock purchase plans at pg. 58, "Operating Expenses" and pg. 61, bracketed text.

With respect to Claim 40, *SEC* discloses earnings-per-share calculations at pg. 54, Exhibit 13.1.

Concerning Claim 42, see the discussion of Claim 31.

As to Claims ⁴⁴40-47, see the discussion of Claims 1-4; *SEC* discloses a an electronic database inherently stored on a machine readable medium.

Concerning Claim 50, see the discussion of Claims 44 and 12.

Concerning Claim 51, see the discussion of Claims 44 and 7.

Concerning Claim 54, see the discussion of Claims 44 and 13.

Concerning Claim 62, see the discussion of Claims 44 and 21.

Concerning Claim 65, it is the system form of Claim 1 and is rejected in a like manner. See also the discussion of Claim 44.

With respect to Claim 66, *SEC* discloses stock data at page 68, bracketed text and derivative issuances data at pgs. 70 and 73, bracketed text.

Concerning Claims 67 and 68, *SEC* discloses convertible notes and accrued interest data at pg. 34 (4.4.5).

Concerning Claim 69, *SEC* discloses current option plan information at pg. 61, bracketed text.

With respect to Claim 70, *SEC* discloses historical capitalization structure data at pg. 65, Exhibit 13.4.

As to Claim 71, *SEC* discloses corporate governance information at pgs. 4-22.

Concerning Claim 72, *SEC* discloses corporate charter documents at pg. 20 Exhibit 3.1.

With respect to Claim 73, *SEC* discloses foreign qualification information at pg. 83 Exhibit 21.

With respect to Claim 74, *SEC* discloses director approval of transactions at pg. 49 2.12(7).

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Concerning Claim 75, *SEC* discloses an actual report at pg. 65 Exhibit 13.4 (Financial Statements).

With respect to Claim 76, see the discussion of Claims 74 and 2.

As to Claim 77, see the discussion of Claims 65 and 12.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 20, 22-25, 27, 35, 41, 43, 61, 63 and 78 are rejected under 35 U.S.C. 103(a) as being unpatentable over *SEC*.

With respect to Claim 20, *SEC* discloses the invention substantially as claimed. See the discussion of Claim 1. *SEC* does not specifically disclose transaction reversal.

Official Notice is taken that reversal or correction of transactions is old and well known in the accounting arts. For example, accountants routinely make “reversing entries” to correct accounting records. The Examiner makes this assertion having worked as an accountant for nine years.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to provide for undoing transactions disclosed by *SEC* because this would provide a capability to correct accounting records.

Concerning Claim 22, assignment of a particular rounding method would be obvious to most accurately represent the effect on the security value of the split.

With respect to Claim 23, *SEC* does not specifically disclose tracking split securities. Official Notice is taken that such tracking is old and well known in securities trading. For example, it is common to split a stock two-for-one and thereby halve the price. Traders would wish to carefully track stock value after a split to determine the effect of the split.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify *SEC* to track split securities to facilitate understanding the market behavior of the stock.

With respect to Claim 24, see the discussion of Claim 20.

With respect to Claim 25, comparison of issue and share price is old and well known as a way to assess an investor's profit on securities ownership.

With respect to Claim 27, see the discussion of Claim 26. *SEC* does not specifically disclose spell checking issued stock documents. Official Notice is taken that spell checking financial documents is old and well known. For example, such checking is done for many documents to assure accuracy.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to add a spell checking of issuance because this would assure accuracy and remove legal ambiguities.

With respect to Claim 35, *SEC* discloses the invention substantially as claimed. See the discussion of Claim 1. *SEC* does not specifically disclose that stock certificate location is tracked.

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Official Notice is taken that tracking of financial document location is old and well known in the financial arts. For example, auditors routinely ascertain the existence and location of securities to assure that securities assets are as represented on financial statements.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to track the location of the securities disclosed by *SEC* because this would provide confidence that these assets were safely held.

As to Claim 41, see the discussion of Claim 39. *SEC* does not specifically disclose a same day sale of options. Official Notice is taken that such sale is old and well known. For example, sales of IPO related securities are frequently same day to generate trading profits.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify *SEC* to include same day option sales because this could allow greatest profit to persons selling options.

As to Claim 43, see the discussion of Claim 39. *SEC* does not specifically disclose communication between an option holder and transfer agent. Official Notice is taken that communication among financial parties is old and well known. For example, clients and brokers must have communication to transact business.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify *SEC* to include option holder/transfer agent communication to allow for sale of options by an employee.

Concerning Claim 61, see the discussion of Claims 44 and 20.

Concerning Claim 63, see the discussion of Claims 44 and 25.

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Concerning Claim 78, *SEC* does not specifically disclose use of an input/output device having a customized screen for payment. *SEC* does disclose HTML web based documents, which are frequently customized and require input/output devices. As to the limitation that payments are made for securities, Official Notice is taken that the information disclosed by *SEC* subsumes payment information and that such information is used to facilitate every day functions including securities payments in many companies. It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the system of *SEC* to display securities payments because this would include a basic function, securities payments in the overall accounting system of *SEC*.

Claims 8-11, 14-19, 29, 34, 36-38, 48-49, 52-53, 55-60, 64 are rejected under 35 U.S.C. 103(a) as being unpatentable over *SEC* in view of *Final Rule: Rule 701—Exempt Offerings Pursuant to Compensatory Arrangements*, hereinafter, *Rule 701*.

With respect to Claims 8-9, *SEC* does not specifically disclose maintaining cash compensation information and provision of this information through a payroll system. *Rule 701* discloses consideration of earned income, traditionally cash, at pg. 8, bracketed text. It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify *SEC* with cash compensation information of *Rule 701* because this would provide an complete understanding of an individual's compensation package. Obtaining such information from a payroll system would be obvious because it is an current, complete source of cash compensation information.

Concerning Claims 10-11, see the discussion of Claim 17 below.

With respect to Claim 14, *SEC* discloses the invention substantially as claimed. See the discussion of Claim 1. *SEC* does not specifically disclose performing a Rule 701 test computation. *Rule 701* discloses this limitation at pg. 16, (2), (3). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of *SEC* to include a Rule 701 computation as disclosed by *Rule 701* because this would allow private companies to sell the proper amount of securities to employees without the need to file a registration statement while remaining in compliance with regulatory requirements. See *Rule 701* at pg 1, I.

Concerning Claim 15, see the discussion of Claim 14. *SEC* does not specifically disclose real time computation. Official Notice is taken that real time financial function was old and well known for finance. It would have been obvious to one of ordinary skill in the art at the time the invention was made to perform computation in real time to accelerate testing and assure timely Rule 701 compliance.

With respect to Claim 16, see the discussion of Claim 14. *Rule 701* discloses batch computation on the date of sale at pg. 16, (ii). It would have been obvious to one of ordinary skill in the art at the time the invention was made to compute Rule 701 compliance as batch as in *Rule 701* because this would test on an as-needed basis.

With respect to Claim 17, see the discussion of Claim 14. *SEC* does not specifically disclose update and read-only access to database functions. Official Notice is taken that “read” and “write” access to database function is old and well known in the database arts. For example, users responsible for database maintenance are allowed write (update) access while persons simply using the database have read-only access.

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It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the database method of *SEC* to include the two access modes because this would allow sufficient access for parties to perform their respective jobs with the database. It would be sensible for investors seeking Rule 701 compliance information to read-only, while persons filing the 10-K of *SEC* would be able to correct (update) the database.

Concerning Claim 18, see the discussion of Claim 14. *SEC* does not specifically disclose associating an exemption with a complying security. *Rule 701* discloses this limitation at pg. 1+, (I). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify *SEC* to associate an exemption with a complying security to assure investors that the company was in full compliance with SEC regulation. See *Rule 701*, pg. 1, Summary.

Concerning Claim 19, see the arguments set forth above regarding the need for incentive plans to remain compliant with government requirements.

As to Claim 29, see the discussions of Claims 14 and 36 regarding the necessity to perform financial analysis and report the results to responsible authorities.

With respect to Claim 34, *SEC* does not specifically disclose tracking the location in which a stock is printed. Official notice is taken that such tracking is old and well known in the production of financial documents. For example, currency is printed at designated locations to assure its authenticity.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify *SEC* with tracking information on stock printing location to provide internal control for such certificates.

With respect to Claim 36, see the discussion of Claims 1 and 14. *SEC* discloses electronic filing of financial data but does not specifically disclose Rule 83(b) elections. Official Notice is taken that filing such elections is old and well known. It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify *SEC* to reflect such elections because this would assure that the company has complied with IRS legal requirements.

With respect to Claim 37, see the discussions above. *SEC* discloses statutory limits for incentive securities offers at pg. 4 (A). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify *SEC* to reflect the change of part of an incentive program to meet limits because this would assure that such an incentive offer complied with SEC requirements.

Concerning Claim 38, see the arguments set forth above regarding the need for incentive plans to remain compliant with government requirements.

With respect to Claims 48-49, see the discussion of Claims 44 and 10-11.

Concerning Claim 52, see the discussion of Claims 51 and 8.

Concerning Claim 53, see the discussion of Claims 52 and 9.

Concerning Claims 55-60, see the discussion of Claims 44 and 14-19.

Concerning Claim 64, see the discussion of Claims 44 and 36.

Claims 32-33 are rejected under 35 U.S.C. 103(a) as being unpatentable over *SEC* in view of *oncle Sample Contracts*, hereinafter *oncle*.

With respect to Claim 32, *SEC* does not specifically disclose a right of first offer and its tracking. *oncle* discloses this limitation at pgs. 5-9 regarding securities trading. It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify *SEC*

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with the ability to track the rights of first offer disclosed by *oncle* because this would give an investor more control of the resale of securities.

With respect to Claim 33, *SEC* does not specifically disclose a right of first refusal and its tracking. *oncle* discloses this limitation at pgs. 1-4 regarding securities trading. It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify *SEC* with the ability to track the rights of first refusal disclosed by *oncle* because this would allow the company to have first access to purchase securities and to give it greater control of the securities.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Charles R Kyle whose telephone number is (703) 305-4458. The examiner can normally be reached on M-F 6:00-2:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent A Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-305-7687.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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May 25, 2004

Examiner Charles Kyle

Charles Kyle